

APPROVED 12/05/2007

Present: Mike Nygren, Pat Martel, Charles Kimball Chair, Andy Kohlhofer, Peter Bearse; Public Jeanne Nygren and Keith Stanton (who videotaped the meeting), Peg Pinkham, Town Administrator Heidi Carlson, Doug McElroy, and recording secretary Kathy Arsenault

Charles Kimball called the meeting to order at 7:04 pm, Chair.

Doug McElroy asked for the spreadsheet budget for the Police Department. Heidi Carlson will get that for the Committee.

Discussion about the minutes from November 14th began. Specifically regarding the requests from Mike Nygren to the School Board. These requests were attached to the minutes. Peg Pinkham motioned to accept the minutes of November 14th, as amended. Doug McElroy seconded the motion.

Pinkham thanked Mike Nygren for the specific requests. She spoke with Annmarie Scribner and they are compiling them. They will have individual positions and benefits broken down. Annmarie had to check w/how the information is released. Mike Nygren stated that he is asking for the costs. Pinkham said that she would have them broken down at the time of our meeting (Dec. 8th). The budget is complete and at the printers. Every one can pick up the budget Friday after 4 pm at the SAU Office. Discussion about distribution of the School Board budget took place.

Pinkham continued that nothing is final until the budget is resubmitted by the School Board. Charles Kimball asked is it 10% less than last year. Pinkham responded no, it isn't. We have made cuts, including positions. She said this is not an easy thing to do. Peter Bearse asked does that include the superintendent. Pinkham said no, we have checked and the law states that we do have to have a superintendent. Pinkham stated that we don't want to be in an uncomfortable position; I don't think it's promising, but the School Board cannot find anything else to cut. Pinkham stated that the finalized numbers go to the DOE and that there is always a time when things are submitted and accepted. A discussion began regarding tuition to Sanborn.

Andy Kohlhofer asked about the negotiations with the paraprofessionals. Pinkham reminded that we are working with a union. Kohlhofer stated that if the School Board comes in at 5:00pm on the last day of the submission deadline, with a warrant article regarding this, he is going to vote against it. A discussion began to see if the Budget Committee as a whole shared the same views. Charles Kimball suggested that a poll be taken. Nygren motioned and Kohlhofer seconded that should the School Board come in at 5:00pm (on the last day of the petition submission deadline) with a warrant article regarding the paraprofessionals contract, the Budget Committee would vote against it. The Committee voted unanimously in the affirmative. Pinkham stated that this is not with any ill intentions regarding negotiations on the School Board's part.

Charles Kimball referred to the agenda and reviewed a letter from NHMA regarding conflict of interest matters. Pinkham stated that there is no clearly defined answer. Pinkham stated that she has had the pleasure of working with many people, on many boards, and that they have all voted to the best of their private interests. Kimball added that if there were an issue, then they would have to abstain. Pinkham stated that whatever the board decides to do, she will support.

Heidi Carlson noted that the letter that was distributed was from the Town Clerk, in reference to the cost of elections. The Town Clerk will be in to meet with the committee next week.

Nygren asked with regard to the School Board budget; didn't week ask for the budget 2 weeks in advance. Carlson stated that in talking to Annmarie she said she would have it 1-week prior. Bearse added that he thought we would have it by the 24th. Pinkham stated that it wouldn't have been the 24th, because the final meeting was just last night. Pinkham referred to the minutes and confirmed that she would try to have it by Nov. 28th. Adding that is more than a full week before our next meeting. Pinkham stated unless you want to push out the date to the 22nd. Carlson said no other dates have been set yet; the only date set is next Wednesday (Dec 5th). We need to decide on other upcoming dates. It was determined to continue next week with Town items to get them out of the way. Pinkham added that in the interim (after the 8th) if the committee has any questions, we would try to get all the answers for you. She continued that you will see the loss in revenue and cut in the tuition line, we are already in the negative. Pinkham said that tuition is up ½ million, we lost ½ million in revenue, and we cut positions with no replacements. She is concerned for the 1st time with the School Board budget and the parents are not going to be happy. Kohlhofer stated that somehow you seem to come up with money, money that wasn't budgeted. Nygren asked if we are sending about 180 student to SRHS. Pinkham stated that she doesn't have that number. She continued that with increases in teacher's contracts and loss of revenues, we are cutting into a budget before we even start.

Kohlhofer stated that before we get into the actual budget, regarding the Police Department budget there is under budgetary rules, a guideline that states for public purposes only private entities have to go one step further, enforcing contracts with police. We are paying to train officers who don't have contracts to the town. He continued that it could be illegal to provide and pay for training without it being a benefit to the town. Kohlhofer suggested why don't we enforce police contracts when they leave early. Carlson stated that we don't have employee contracts. She added that we could look into it. McElroy stated that Neal Janvrin didn't think that it was legal, but Don Gates did. Kohlhofer asked about looking at the training part of the budget. Kimball suggested that maybe legal counsel should try to iron out. Kohlhofer stated that most towns do this. Kohlhofer said that if we are paying for an officer's training and he leaves, and McElroy answered perhaps he could pay for a portion of the training. Kimball stated that you could give him a year to come up with it. Kohlhofer stated that he is concerned that there is no commitment to the town at all, yet we are spending thousands of dollars to train him. Bearse stated that it is a matter of working things out with a mutual agreement. Kohlhofer said that the law states if we are paying for someone to be trained, it has to have a benefit to the town. Carlson stated that she would go to the selectmen and discuss this. Kimball stated that we would be better off in the long run.

Kohlhofer stated that he has 3 requests: #1 For Fire & Rescue, how many people have we lost without having floodlights. (In the last 5 years) #2 How many times have we had to use the Raymond system. #3 How many times have we had to ask to use Raymond's system and it wasn't available.

McElroy asked if they are planning the expansion of Leavitt Cemetery. Kimball stated yes, it is already done. A minor discussion regarding cemeteries and cremation processes began. Keith Stanton stated that by law you are able to create a burial ground on your own property. Pinkham stated that yes that is true.

Carlson began with the budgets.

Reappraisal of Property 4152

Appraisal Services - The Town contracts with MRI, the assessing company, this figure includes everything, except 2 pending cases. They provide municipal functions, management studies, temporary replacements, consulting, assessing, etc. The assessor is here 1 day per week dealing with all the land use change taxes, assessing, transfers, etc. Ultimately we hope there would be less fieldwork for the next revaluation period. It had been 20 years since last property evaluation. Now it has to be done every 5. In 2005 the data we had to use was 20 years old. Carlson continued that in terms of cost, if the data is good and up to date, we are hoping to not do a full- fledged revaluation. We have set aside money in capital reserve (\$25,000) for this purpose. Carlson stated that it would be a good plan to aside \$25000 every year for the possible \$150000 revaluation

Map Updates - The mapper is here at least 1 month. Cost increase is due to zones being voted in, including the Village District. The Conservation Commission is funding to digitize some maps as a long- term tool. Kohlhofer asked if these were available on the website. Carlson replied no, not right now. Don Dollard, the mapper, has them right now. He is working with the planning commissions. The more detailed information we can get, the better the master plan is. Bearse asked if the increase from \$3000 to \$4000 is because of the cost of digitizing. Carlson said no, the Conservation Commission will initially fund it, but it will cost us to upkeep the digitizing. Carlson added that we need to leave an allowance in there for digitizing and overlays. Subdivisions cause us to have to redraw lines, etc.

Assessing Supplies - Printer, tapes, etc., are charged off separately from the Town things. These totals are exclusive to the workstation set for the assessors.

Utility Valuations - These valuations are done differently than houses and land. We pay George Sansoucy, LLC, yearly, to keep up to date on that. We get a lot more than this amount back in taxes every year than if we used the DRA base values. Kohlhofer asked if has anybody ever appealed. Carlson stated yes, but any appeals have been settled. Carlson stated that Sansoucy's office handles those issues. Kohlhofer asked is it a separate revenue. Carlson said that it is separate on the tax warrant, but is considered property tax revenue.

Computer Equipment & Software - Software maintenance plan that runs all of the assessing, including putting all of our data up on the website from Vision Appraisal. This includes all software updates, maintenance and training. Nygren noted that there might have been a problem with this and asked if it was fixed. Carlson said it had inadvertently disappeared, but it has been fixed. Carlson continued that people use this system all the time, from real estate agents to residents and for about \$2000/year we are getting great use out of it.

Dues - Required by statute to pay for the annual membership fee for the NH Association of Assessing Officials.

Personnel Administration - 4155

FICA & Medicare – Some of the wage numbers are missing. Heidi used this year's number plus 3%, total compilation. Full-time police officers are not subject to FICA. These should be fairly good numbers as long as the wages are OK. Carlson stated that the wages could be recalculated so as to not over appropriate or under appropriate. Carlson reminded that the year is not yet over and

these are YTD numbers. She added that FD points all go through payroll and stipends as well. Most stipends don't come out until year-end.

Workers Compensation - Workers and volunteers are all through Primex in Bow. The format has changed and they wait until the books are audited, before they set the premium. Carlson explained that we haven't had any big claims that would affect our ratings. There is a different class of payment for rate set; FD has the highest, whereas clerical workers and such are at the lowest. The next audit should be in Jan. or Feb. 2008.

Unemployment Compensation - When a worker files for unemployment compensation, we have to pay a percentage, but we are not a regular contributor to unemployment. Because of this, the money is not always spent, but we have to keep an allowance in this line.

Medical Insurance - Last year the Town took a big hit in premium cost, so we switched to a lesser plan to reduce the Town's cost. This year the Town has changed from a PPO to an HMO plan again to save premium. There is a 2% increase in the premium. This plan does have deductibles. The trend is going more toward HMO now. With the current staffing levels, the one unfilled position is budgeted for a family plan. Nygren said that it was stated last year as an increase, but it shows a decrease. Carlson explained that last year we budgeted $\frac{3}{4}$ of a year for a full time employee, but didn't hire that person until June. Carlson continued that the town is funding the HMO, but if someone chooses to stay with the old plan, that employee pays the difference. Carlson said that she would go back and look at last years numbers based on full-time employees. She stated that we don't have anybody who doesn't opt to take the health insurance. Pinkham stated that the \$96,214 is 2% over the \$96,000. Kohlhofer asked did we over appropriate last year. Carlson stated that she would check on this. Nygren asked is it a fixed cost. Carlson said yes it is, and the same people have been here. Nygren asked if Heidi could get back to us. Carlson stated that the 2% on the spreadsheet is from the insurance company that prepared it for us. Kohlhofer asked do we offer a health option. Carlson said that it is a good idea, people have asked, but no it is not included in this budget. A minor discussion continued regarding health options, managing of health options and premiums. Pat Martel asked if we could check on the premiums.

Retirement - NH retirement is mandatory for all FT police officers. Carlson explained that 11.8% is currently the Town's share (began July 1, 2007). This is offset for other employees up to a 3% match of gross wages. Carlson continued that we take the withholdings taxed or untaxed and set them up, and the employees are then responsible to manage their plan directly with Ameriprise. Nygren asked is it 3% of base salary or what they earn. Carlson said 3% of gross wages. Nygren noted that the FD and PD have skyrocketed this year and the teachers are up next year. Carlson stated that in July 2007, there was a jump. It jumps every 2 years. These numbers get us through the 2008 budget. Nygren stated that the FD gets about 25%, and thought the PD would jump up too. Carlson stated this is enough money for 2008 with the data that is available. It is an average for some of the numbers. Carlson stated that there are criteria for full-time, eligibility, gross wages, salary, current staffing and number of years of service.

Dental Insurance - Delta Dental Maximizer I Plan. Offers single coverage to employee only, any more than is offered, the employee pays for himself.

Short Term/Long Term Disability & Life Insurance - This coverage is for full-time employees to provide a short-term and long-term disability plan and \$50,000 of life insurance to the 9 full-time positions.

Bearse asked to jump back to retirement. He asked where does the money go, and into what fund. Carlson stated that for the PD, once a month it goes into the PD Retirement Fund. For non-police employees, it goes to Ameriprise Financial in a quarterly contribution. Bearse asked if we are satisfied on the returns. Kimball stated that it is the individual's responsibility to manage that. Bearse asked how is it their responsibility. Carlson stated that we don't manage it, it is not a formal plan. Kohlhofer asked is it taxed and could they withdraw it. Kimball said yes, but they would have to pay the penalty. Carlson stated that what has been withheld from their wages has been taxed. Kohlhofer asked are they eligible for social security and Carlson said yes. Full-time police officers are not eligible for FICA. Kohlhofer noted that they don't contribute to it.

Kohlhofer asked is it a Term Life of Universal. Pinkham believed that it is Term Life. Kohlhofer stated that with Term the premiums could go up. Carlson explained that it is a flat sum, regardless of age.

Ambulance Services 4215

2008 contracted amount for \$5,500. This contract is with Raymond Ambulance. Carlson noted that this is a terrific deal in terms of contracting for ambulance coverage. They respond to any call in Fremont, any time day or night. It is a one-time annual sum, then they bill for services. Kohlhofer asked is this on top of what they get for services, Carlson responded yes. Kohlhofer questioned why you couldn't use other funds for losses with Medicare. Carlson said the contract with them guarantees service to Fremont. It is a 5-year contract with Raymond Ambulance, contingent on annual town funding at Town Meeting. Kohlhofer asked is this with built in increases. Carlson said yes, every 2 years. Kimball stated that the ambulance fees are to pay and maintain their crew. McElroy asked does Raymond contract other towns too. Kimball stated yes. Carlson said the current contract is from 04-01-2006 to 04-01-2011, and is contingent on town meeting approving funding annually. For this contract we are getting a good deal.

The next pages are from Thom Roy for the Committee to review. This is regarding the Fremont Fire and Rescue Consensus Building. This is a follow up to questions raised regarding points and the point system.

Emergence Management 4290

The 4291 category is utilized when we have a large scale emergency. Carlson stated that there are some changes the selectmen have made in Emergency Management. The Director wanted to purchase portable radios. The Selectmen recommend not putting any more money into the truck we have. The \$400 and \$180 in the communications line, are not recommended by the Selectmen. The communications reduction is because that is now covered in the PD budget for cell phones.

Kohlhofer asked about office supplies and training and why then went up. Carlson explained that the original directors that put this budget together have resigned. We are not sure what will happen at this point, and the selectmen aren't sure either. She continued that at the time of the floods, Joe Gottlich was the Director. During this time everyone pulled together and got the job done. A brief discussion about the generators followed. The batteries are replaced about once a year. They don't require a lot of maintenance. McElroy asked if the maintenance was contracted. Carlson stated no,

resident mechanics take care of them. They are fine for now, but will have to think about in the future.

Director stipend \$1200; Personnel \$800; Equipment rental \$1500; Materials \$600; Meals \$400. Carlson stated that we received the rest of the FEMA reimbursement of just over \$7,000, covering the cost of the flood, repairs, etc. There is more detail in the rational that Chris and Joe put together, more shelter supplies, etc. Kohlhofer asked is there any federal money. Carlson said she believes there is. There were some grants Joe was working on for weather gauging, bridge gauging for flooding, etc. Kohlhofer stated that grant writers could actually write their own fees, right into the grant and within the grant money. Carlson said that it might be worth looking into. Carlson stated that she understands there is an immense amount of work involved. Thom Roy has written an applied for a couple, and he received grants for \$65,000 and \$20,000. Kimball stated there are pros and cons because the funds are controlled by the state, not by us. Kohlhofer stated that grants come with strings attached. Carlson said yes, it could be a catch 22. .

Bearse stated that the lines, as read, seem reasonable, but the bottom line seems too high. Every year more money is requested, than what was spent. Carlson stated that with that line in particular, if it wasn't spent it was turned back over into it. Kohlhofer asked could they carry over money. Carlson explained it is a town trust for Emergency Management. She continued we wouldn't need to appropriate money for a couple of years, if we could build it up.

A discussion regarding the pick up of the school budget began. Nygren offered to pick up the budget at the SAU on Friday and deliver them.

Peg Pinkham left the meeting at 8:48 pm.

Bearse stated that he needed to raise the question regarding the pattern of money being spent is continually less than what is requested. He continued that we don't want to see that money go into the taxes. Nygren stated that the selectmen have a certain rationale. McElroy suggested to keep notes, then when we come back to it, bring it up when we vote on it. He stated that we will vote on everything, right now this is just for review.

Debt Service - This is the principal & interest for long term debt service. In 2006 we paid off the fire truck, in 2007 we paid off the final payment on the ball fields. We are ½ way through the safety complex bond. Carlson stated that the rates we have on these bonds are pretty good. They are at about 4%. Discussion began about rates, and refinancing of bonds took place. Kohlhofer asked could we refinance the safety complex if we wanted to. Carlson wasn't sure, but would look into it regarding the exact language of the bond. Martel suggested Carlson make some phone calls and check on this. Bearse asked about town owned property and listings of them. Carlson said yes, we have a listing and a list in the town report. Bearse asked is this land that the town owns. Carlson said yes, with map, lot # and value. It is published every year in the Town report. She continued that there is a list of land that was acquired by tax lien deeds, with a schedule of town property. Bearse thanked Carlson for the information.

Carlson passed out some papers regarding the light towers, for the committee to have backup documentation for it.

Great Bay Services - Great Bay Services, is a new social service for Fremont. Kohlhofer asked what does this service offer that the others do not. Carlson stated she is not sure yet, but will review the documents. Carlson suggested members look through the documents, jot down specific questions, and she will go back to them. Kohlhofer suggested bringing a few of the services in for questions. Carlson stated that they would be happy to come in. Bearse asked apart from the 2 clients we have from Fremont, what else would be the need. Carlson stated that these are all good questions. Discussion regarding clients and criteria for group homes began. Carlson explained that the paperwork was mostly just for review, these are the same agencies that the town has supported for years. Some don't change from year to year. Their requests help to defray and recoup costs for clients who are or have been residents of Fremont. Most of the agencies have someone who is or could be a resident of Fremont. Kimball asked to those that we haven't paid any money to, is that because they haven't asked yet. Carlson said yes, if they don't request it, we don't pay them out. She added that most requests come in September.

Kohlhofer asked with regards to the taxes, what is the delinquency rate. This is something to discuss at our next meeting (after Dec. 1st deadline). Nygren stated that this was asked before. Kohlhofer stated that he would just be interested in knowing the delinquency rate. Nygren asked if the Tax Collector is coming in or is she satisfied. Carlson stated that she is not planning to, but could ask her to come in if the Committee would like. Kimball stated that Ruthie has resigned as Deputy Tax Collector and would like to know who it is now. Carlson responded that the new Deputy Tax Collector is Lori Holmes. Kohlhofer asked how does she do two jobs if Mon-Fri from 9-5 as Town Clerk is a full-time job. Nygren said, yes that is the question. Carlson stated that the Selectmen were promised by Annmaire Scribner at the time of the appointment, that they would keep track of the hours spent. Annmarie assured us that it was all going to be tracked time spent on as Deputy Tax Collector during office hours of the Town Clerk. Nygren asked how long ago it was that Ruthie resigned, then stated that he believed it was about a month ago. Nygren continued that she should have a very good idea as to how many hours she has been using. Nygren asked that he thought she was going to come in. Kohlhofer asked if she is full-time, are there any overtime issues. Carlson said no. Nygren asked if the Deputy Town Clerk was hourly. Carlson said yes, but the Deputy Tax Collector is a stipend. Martel asked has it always been that way. Carlson said yes, with Ruthie she had received a stipend. Annmarie had asked Ruthie to stay on as Deputy Tax Collector, but be paid hourly for it as needed. When Ruthie resigned, Annmarie came in and asked to appoint Lori Holmes as Deputy Tax Collector and asked to change her budget. She changed the budget to read from \$1,500 to now back to \$5,300 (stipend) for the Deputy Tax Collector.

Kohlhofer asked if we could have her come in. Carlson stated that in theory it is easier as a service to the community. Kohlhofer stated that it gets mushy here because she has a full-time job as Town Clerk. Nygren said that the state statute reads that an elected official does not fall under any guidelines, whether her hours are 10 or 70 she still gets the \$34,000 as her pay. Martel questioned that that her pay is based on the position of Town Clerk. Nygren said yes. Martel asked if there was an additional stipend to stamp paid tax bills. Nygren stated that there are no objections to doing both jobs, however the hours requested are hours not needed. Nygren stated that we need to revisit these positions. Kohlhofer suggested having Annmarie come in, as well as the Town Clerk next week. Perhaps both of them together. Nygren asked about Annmarie as the SAU Financial Administrator and is that full-time. Carlson said she thought it was. Nygren noted that she gets full-time benefits from that.

Going back to Social services, Bearse asked how do we know where services are needed and how do we know independent of these agencies. Carlson said that the only interaction as to how she knows that someone is in need of other services is if welfare contacts tell her. She knows that some receive services that are confidential. A minor discussion regarding social services continued. Carlson stated that it has always been understood that these agencies come back to towns to recoup their losses.

Kohlhofer stated that he would like to ask some questions regarding these services. Carlson said to write them down and she will send them all at once. Martel suggested we could talk more about this next Wednesday.

Carlson stated that there are still other budgets to review. Kimball suggested that the committee meet every Wed. through January. Carlson stated that the only dates confirmed are Dec. 5th and Dec. 8th. We need to set dates beyond this. McElroy suggested Dec. 12th, Dec. 19th, skip Christmas week, and resume on Jan. 2nd

Bearse mentioned that he distributed copies of an article about a forensic audit in Newmarket. He questioned if a forensic audit of the school budget is necessary. Kohlhofer stated that we can not require it, we can only ask for it. Bearse said yes, he knows that. Martel noted the article mentioned the auditor did not perform an appropriate audit. Kohlhofer asked, so he has performed questionable audits. Martel said, yes, that is what it says.

Bearse mentioned that he also copied an article about the new grading system if anyone is interested.

Carlson passed out town budgets for upcoming meetings for the committee to take home and review.

Kohlhofer motioned to adjourn the meeting and Nygren seconded the motion. The meeting was adjourned at 9:41pm.

The next scheduled meeting of the Budget Committee is Wednesday, December 5th.

Respectfully submitted,

Kathy Arsenault
Recording Secretary